



Northern Mining News

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QUICK MINING STATS 2007:

- Four diamond mines in operation and one tungsten mine
- Value of mineral production (2006)
\$1,600,000,000
- Value of mineral exploration (2006)
\$301,700,000

Infrastructure for Mining

2008 has been an interesting year for the mining and exploration industry thus far. The NWT is seeing one of the coldest years on record with two major cold snaps during January and February. Our ice road engineers could not be happier!

Spring will soon be upon us and the ice road has closed. The diamond mines have received their annual stock of supplies, fuel, and machinery. The cycle will continue again next year.

The Chamber of Mines is in support of new infrastructure development to augment and eventually replace our ice roads. This year, unlike 2006, the mines were able to ship in all of their loads, on time and on budget. With shifting climate cycles and future increased demand on these corridors, we need to look

for alternatives. Transportation is key to sustaining our economy.

The *Bathurst Inlet Port and Road* proposal calls for a port on the Arctic Ocean at Bathurst Inlet, and a road connecting to future mine projects. Although entirely in Nunavut territory, a road like this can only boost Yellowknife's economy. True, the road may limit the amount of trucks passing up our ice road corridor as it will become cheaper to supply the diamond mines with fuel brought in by tanker ships. However, with this new port facility up to a dozen mineral deposits in the upper Slave Geological Province may prove economic. The mining industry in Nunavut will expand and as a service center of the north, Yellowknife will receive economic benefits as well.

Other infrastructure includes upgrading the winter road from Yellowknife to the mines into a *Seasonal Overland Route*. The SOR is not an all-weather road; travel in the summer would be restricted, and the gravel corridor would only be suitable for winter use. But the route would bypass the tricky portions of the ice road, where spring melt sometimes forces an early closure. These are projects that the Chamber fully supports.

The north recently saw the Tahera diamond mine close after a year and a half of troubled production. Perhaps if new infrastructure is established, our mines will receive a bit of a break, and new mines will come on stream.

Mike Vaydik,
General Manager

What is the Chamber of Mines?

The NWT & Nunavut Chamber of Mines, which continues to serve companies operating in the NWT and Nunavut, has been the voice of the Northern mining and exploration industry since 1967.

Its goals are to promote the industry and the North to Northerners, Canadians, and the

world at large. It continues to speak out on industry concerns and issues. It advises governments, investors, the media, schools and Universities, and the public on industry positions and initiatives.

Major issues include land claims, land access, the environment,

northern infrastructure, safety, welfare, mineral policy, and employment.

Membership includes mining and mineral exploration companies, the service industry, and prospectors. The Chamber currently has over 1,000 corporate and individual members.

Northern Regulatory Improvement



Neil McCrank, Special Representative of the NRII, makes a presentation to mining industry representatives in Vancouver.

Some of our member companies at PDAC included:

- Tyhee Dev.
- Fortune Minerals
- Snowfield Dev.
- Avalon Ventures
- Canadian Zinc
 - CasCom
 - First Air
- Canadian North
- Golder Associates
- Shear Minerals
- Areva Resources

The Chamber has been involved in the drafting of recommendations for the Northern Regulatory Improvement Initiative. The Initiative was announced by the Federal Government in October following concern that the present regulatory system in the North (Yukon, NWT, and Nunavut) was complex, cumbersome, and in need of major revisions.

As spokespersons for the northern mining industry, the Chamber became actively involved in the process. The north's mining and exploration industry, particularly on the NWT side, has been burdened

by ever increasing uncertainty about regulatory processes.

The mining industry working group, which includes the Chamber, the Mining Association of Canada, and Prospectors and Developers Association of Canada, have highlighted several problems and offered solutions. Input was gathered from a broad spectrum of industry participants. The following are the highlights:

- Referral of early-stage exploration projects to environmental assessment
- Need for definitive timelines

- Requirement for agreements with no legal basis

Recommendations include:

- Clarify the meaning of public concern
- Empower the Minister to give written policy directions to MVEIRB.
- Establish definitive timelines for review process
- Develop policy directions for water license durations
- Replace environmental agreements with legislation.

Our report is available on the Chamber of Mines website



Chamber Staff in Vancouver



Baffinland Iron's booth in Toronto

Chamber Attends Conferences

Chamber staff flew south for the coldest days of NWT winter to attend the Roundup Conference in Vancouver (February) and the PDAC in Toronto (March). Our booths received considerable attention and we took note of the many companies promoting their northern

projects this year. At the PDAC in Toronto, delegate registration topped 20,000, a record for the event. The high attendance indicates a strong interest in mineral investment this year, and the Chamber is glad to have participated.

Diamonds were a huge focus at this year's event. Northern

diamond projects were the topic of a days worth of talks, and a luncheon event focused on advancing Canadian projects. These conferences provide a good opportunity for staff to meet company representatives in the cities.

Thank you everyone for the hospitality!

News from the Industry

Jericho Mine Closes:

Nunavut's mining industry suffered a blow in February with the announcement that Tahera's Jericho diamond mine was shutting down and the company was being placed into bankruptcy protection. Both mining and processing activities have now ceased at Jericho, and we await news of Tahera's restructuring plan.

Permit to Drill at Defeat Lake:

Sidon International Resources has permitting approval to diamond drill on

its diamond property at Defeat Lake, east of Yellowknife. This comes after a lengthy, three-year environmental review process. Under the terms of the permit, Sidon will be unable to build a winter road into the property and must therefore rely on helicopter support. Sidon plans a geophysical survey and diamond drilling campaign this year.

Soaring Gold Prices:

Gold has never looked better! The price of the precious metal is well over \$1,000 an ounce as of writing and there is no sign that it will stop. Analysts are predicting

prices this year that will average well above the current price. It is having an obvious impact on mineral exploration in the north, especially Nunavut, where several gold projects are in the later stages of development, including Newmont's Hope Bay and Agnico-Eagle's Meadowbank.

Kaminak and NTI Agreement:

The Nunavut Tunngavik Inc. announcement to support uranium exploration in Nunavut is great news, especially for Kaminak Gold Corporation, who concluded negotiations with NTI on January 31 for exploration on Inuit-owned lands. Kaminak owns the Angilak property in the Kivalliq district, which holds the Lac Cinquante uranium deposit.

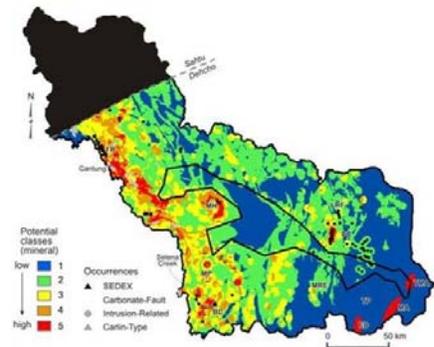
Nahanni Expansion - What are the Impacts?

A coalition has been formed by the Chamber of Mines, the Mining Association of Canada, PDAC, the GNWT, the Yukon Government, the Liard First Nation, Canadian Zinc, North American Tungsten, and Selwyn Resources to address stakeholder concerns with the proposed Nahanni Park expansion.

The group traveled to Ottawa in February and met with government officials at NRCAN, Parks Canada, and DIAND. They urged that a proper socio-economic impact assessment of the park creation be completed and provided to the public before any final decision on boundaries is made. At a committee meeting organized to help decide on the boundary, representatives of the GNWT

recommended leaving a strip of high mineral potential area outside of the park. Parks Canada, meanwhile, continues to aim for complete protection of the watershed, and we fear that political pressure will swing in their favour.

Unfortunately, industry is still getting a bad rap in the Nahanni. Canadian Zinc is in the final stages of applying for the necessary permits to bring their Prairie Creek lead/zinc mine into production, and continues to be riddled with opposition from environmental groups. The Company, and its supporters, are confident that the operating mine will be a good neighbor to the expanded park, and that all conditions of environmental compliance will be strictly met. There are many examples of mines and protected areas occupying the



Overall Mineral Potential of Nahanni

same space and Prairie Creek should be given the chance to prove how it can work.

The Prairie Creek lead/zinc deposit contains a resource of 3.6 million tonnes (measured and indicated) grading 11.8% zinc, 9.7% lead, and 8.3 million tonnes (inferred) grading 12.8% zinc and 10.5% lead.

Economic Benefits of Park vs Mining

Expanded Park: Park and visitor spending will contribute **\$14 million** over ten years

Mining: There is potential for up to five mines in the area. This could ultimately provide a **GDP impact of \$1.6 billion for the NWT and \$6 billion for Canada over 25 years.**

Survey of Mining Companies

The *Fraser Institute* recently published its annual survey of the state of the politics of the world mining industry. The Institute has conducted this survey for ten years, assessing how mineral endowments and public policy factors such as taxation and regulation effect mineral exploration.

Three Canadian provinces, Quebec,

Alberta, and Manitoba ranked within the top 10 in policy attractiveness. The NWT and Nunavut however, ranked very low on the scale. The NWT placed 37th, while Nunavut placed 54th. Both were at the bottom of Canadian jurisdictions on most factors except mineral potential.

The results of the survey are available on line at www.fraserinstitute.org.



**NWT & NUNAVUT
CHAMBER OF MINES**

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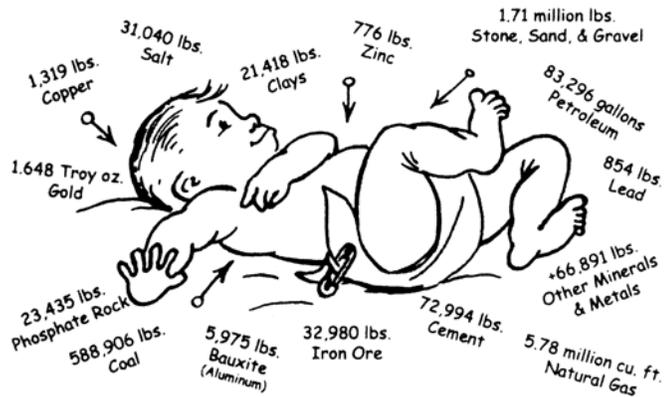
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The American Mineral Information Institute estimates that each child born in the USA will need these minerals, metals, and fuels in his or her lifetime:



ALS Laboratories — New Assay Facility

A new sample preparation facility for mineral exploration will be opened in Yellowknife this spring by ALS Chemex, the mineral analysis division of the ALS Laboratory Group. ALS is one of the world's largest analytical companies, with 4,000 employees operating in 93 locations around the globe. Their environmental testing division has operated in Yellowknife since 2006. Their mineral division provides analysis for gold and other precious metals, base metals, uranium, acid generation potential, and more. Rock, drill core, soil, and sediment samples from mineral exploration projects will be prepared in Yellowknife and a representative portion of each sample will be sent to the ALS

Chemex laboratory in North Vancouver, BC, for all analysis.

"This facility will enable us to provide superior service to companies with exploration projects in the Northwest Territories and Nunavut. Our clients will have the benefit of local service and support in Yellowknife and will save the cost of shipping their unprepared samples to a laboratory in the south." says Brent Mawdsley, Marketing Manager for ALS Chemex in Western Canada.

The facility is located in the Kam Lake industrial park and is scheduled to open in May 2008. Contact Brent Mawdsley at 1-604-984-0221 or brent.mawdsley@alschemex.com for more information.

Upcoming Mining Industry Events

Book your calendars now for these important industry events and functions:

- **Nunavut Mining Symposium ... April 8-10, Iqaluit**
- **CIM Annual General Meeting ... May 4-7, Edmonton**
- **GAC—MAC Conference ... May 26-28, Quebec City**
- **NWT Mining Week ... June 9-14, Yellowknife**
- **Nunavut Mining Week ... more information to come on dates**
- **NWT & Nunavut Geoscience Forum ... November 18-20, Yellowknife**

